GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2778
ANSWERED ON:17.12.2004
METAL BOX
Zahedi Shri Mahboob

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether two units of Metal Box were closed 17 years back;

(b) whether crores of rupees misappropriated and deprived work-man of due payment;

(c) whether its immovable assets were sold out by the management, particularly when its units was under consideration of BIFR;

(d) if so, the details thereof;

(e) whether any report on the misuse of funds have been brought by the audit; and

(f) if so, action taken thereupon and result thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN).

(a) The Metal Box India was registered in 1933 in the State of West Bengal. It had set up 9 production units 2 at Kolkata, 3 in Maharashtra, one each at Madras, Bangalore, Cochin and Faridabad. The company`s accumulated losses exceeded over the company`s networth of Rs. 22.16 crores and the case of the company was referred to Board of Industrial and Financial Reconstruction (BIFR.). The company was registered as sick company by BIFR under the provisions of the Sick Industrial Companies (Special Provision) Act,1985 during the year 1988, and it was declared sick company on 27.5.88. Industrial Credit & Investment Corporation of India (ICICI) was appointed as the Operating Agency.

(b) No report of misappropriation of crores of Rupees and deprival of workers due payment has been received either from the Monitoring Agency or Special Director.

(c) to (d) The sale of Worli assets etc. is in accordance with the terms of scheme sanctioned by Appellate Authority for Industrial and Financial Reconstruction (AAIFR). The company has submitted to the BIFR that against the reserve price of Rs. 43.4 crores, a sale consideration of Rs. 45.41 crores was received from the Worli property of the company which was deposited in the Escrow Account. Plant & equipment was finalized at Rs. 47.5 lakhs, partly demolished structures at Rs. 20 lakhs and disposed off 4 flats at Mitha Towers- Mumbai @ Rs. 14.55 lakhs (2 flats) and one each @ Rs.13.10 lakhs & 13.75 lakhs as against their respective reserve prices of Rs. 12.5 lakhs, Rs.11 lakhs and Rs. 11.5 lakhs respectively.

(e) to (f) BIFR has not received any audit report on misuse of funds.